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SUBJECT: SUBJECT: PAPER SCORE'S PM'S "SECRET" MEETING WITH
CHINESE OFFICIAL

Classified By: POLITICAL COUNSELOR JAMES F. COLE. REASON: 1.4 (D)

11. (C/NF) SUMMARY: "The Australian" newspaper has criticized Prime Minister Kevin Rudd's "secret" talks with Chinese Communist Party propaganda chief Li Changcum, on March 21. Officials in the Office of Prime Minister and Cabinet have told the Embassy that Rudd and Li discussed the need for coordinated action by the G-20 in dealing with the Global Economic Crisis and the Free Trade Agreement talks between the two. However, the meeting is viewed by many in the context of China's plays for Australian resources, and Rudd's call for China to have greater influence in the IMF. Li also met Opposition Leader Malcolm Turnbull, acting Governor General Marie Bashir and Australian press executives. The Prime Minister's meeting with Li was routine - the public recognize China is a key trading partner - yet by excluding Australian media he has left himself open to questions and suspicions about his dealings with China, particularly in light of his subsequent strong advocacy for a greater role for Beijing in the IMF. END SUMMARY.

RUDD MEETS CHINESE PROPAGANDA CHIEF

12. (U) The front page of the March 24 "The Australian" newspaper carried a headline: "Chinese walls: PM keeps Lodge talks secret," with photos of Rudd and the propaganda chief of the Chinese Communist Party, Li Chanchun. The article reported that Chinese state-owned media but not Australian were invited to cover Rudd March 21 meeting with Li at the Prime Minister's residence in Canberra. Less than 24 hours later, Rudd declared he would push for China to be given a greater role at the IMF when he attends the G20 summit next week.

13. (C/NF) Officials in the Office of Prime Minister and Cabinet told Pol on March 24 that Rudd and Li discussed the need for coordinated action by the G-20 in dealing with the Global Economic Crisis and the Free Trade Agreement talks between the two. Chinalco's proposal for a greater stake in mining giant Rio Tinto was also undoubtedly on the agenda - PRC Embassy DCM Hong Liang told us last week that he was working on the visit of a "senior leader" and that Chinese investment in Australia would be an important topic. The Prime Minister's office described the meeting as "private" and reportedly noted it was "not the Prime Minister of Australia's role to put out a press release announcing what every visiting politician is doing." According to the Australian Broadcasting Commission (ABC) it received a tip that Li was arriving Friday night (March 20) on a flight from China.

LI MEETS OPPOSITION LEADER TURNBULL

14. (U) On March 23, Li and other Chinese officials met Opposition Leader Malcolm Turnbull in Sydney. Addressing the media afterwards, Turnbull said they discussed climate change, Chinalco's proposal for a greater stake in mining giant Rio Tinto, and economic matters. Like Rudd, Turnbull backed a greater role for China in the IMF, pointing out that this was a policy of the Howard government. Likely referring

to the Australian press being kept away from the PM's meeting, Turnbull noted that "It is always best for leaders to be open and transparent about their dealings with foreign government and leaders." Li also met with acting Governor General Marie Bashir and Australian press executives.
RUDD MISREADS PRESS REACTION

15. (C/NF) COMMENT: (SBU) COMMENT: Rudd,s handling of the public relations aspect of this senior official's visit is puzzling, if not inept. The Prime Minister's meeting with Li Qpuzzling, if not inept. The Prime Minister's meeting with Li was justifiable and defensible - the public recognize China is a key trading partner - yet by excluding Australian media he has left himself open to questions and suspicions about his dealings with China, particularly in light of his subsequent strong advocacy for a greater role for Beijing in the IMF. Once the Chinese media filed their stories about the meeting, it was inevitable the Australian media would learn about it. If the PM consented to a Chinese request to exclude Australian media from his official residence, it looks even worse for him, and only supplies fuel for those who claim he is too deferential to China. END COMMENT.